

# FISCAL NOTE

## SB 915 - HB 604

April 4, 1997

**SUMMARY OF BILL:** Requires the state health plan, TennCare and private health insurers to cover an annual digital rectal examination and prostate-specific antigen (PSA) test for men age 40 with a family history of prostate cancer, men age 50 and over with certain symptoms and African-American men age 40 and over.

### ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$500,000  
Increase Local Govt. Expenditures<sup>1</sup> - Exceeds \$100,000  
Other Fiscal Impact - Increase Expenditures/Health Insurance Industry<sup>2</sup> -  
Exceeds \$500,000

Current medical practice for these groups does not usually include annual PSA tests.

Estimate assumes an increase in cost to the state employee health care plan and a similar increase to local government health care plans. Bill specifically includes such plans.

Coverage of such treatment is estimated to result in higher capitation rates paid to managed care organizations in the TennCare program.

<sup>1</sup>Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

<sup>2</sup>The impact on the health insurance industry is included as required by Chapter 244 of the Public Acts of 1989.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first name "James" being the most prominent.

James A. Davenport, Executive Director